

Message Text

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46

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20 STR-08

CEA-02 L-03 H-03 PRS-01 PA-04 USIA-15 DRC-01 /169 W

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FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 8560

INFO AMEMBASSY PARIS

USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMEMBASSY ROME

AMEMBASSY LONDON

UNCLAS BONN 16051

DEPARTMENT PLEASE PASS TREASURY

E.O. 11652 N/A

TAGS: EFIN, GW

SUBJECT: FRG FINANCE MINISTER SCHMIDT ON GOLD

1. THE THE COURSE OF A LENGTHY PRESS INTERVIEW WITH
DIE WELT, LE MONDE, LA STAMPA AND THE TIMES, FINANCE
MINISTER SCHMIDT RESPONDED AS FOLLOWS TO A QUESTION
REGARDING USE OF GOLD BY THE EUROPEAN CENTRAL BANKS
IN THE SETTLEMENT OF BALANCES: "I AM CAREFUL IN MAKING
PREDICTIONS. BUT I COULD IMAGINE THAT PRIOR TO THE
COMING INTO FORCE OF A NEW INTERNATIONAL MONETARY
SYSTEM, CENTRAL BANKS WOULD BEGIN TO SELL GOLD ON THE
FREE MARKET. I ALSO DO NOT WANT TO EXCLUDE (THE
POSSIBILITY) THAT CENTRAL BANKS WILL SETTLE BALANCES
AMONG THEMSELVES ON THE BASIS OF A FREELY AGREED UPON
GOLD PRICE, BUT I THINK FOR THE TIME BEING THIS IS
UNLIKELY. ON THE OTHER HAND I ALSO CANN OT IMAGINE
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THAT THE GOLD RESERVES OF CENTRAL BANKS -- WHICH

ON THE BASIS OF THE OFFICIAL PRICE AMOUNT TO
\$43 BILLION -- SHOULD REMAIN FROZEN FOR A LONGER
PERIOD OF TIME OR THAT THE CENTRAL BANKS INTEND TO
SELL THEIR GOLD HOLDINGS TO JEWELERS AND DENTISTS."

2. IN THE SAME INTERVIEW SCHMIDT EXPRES SED
CONSIDERABLE RESERVE CONCERNING AN SDR/AID LINK.
HILLENBRAND

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Message Attributes

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Disposition Approved on Date:
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